

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 3518-01
Bill No.: SB 970
Subject: Counties: County Assessment Fund
Type: Original
Date: January 15, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Blind Pension Trust	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Tax Commission** assume this proposal could impact Camden, Cape Girardeau, and Cole Counties. Officials assume this proposal changes the percentage of ad valorem tax collections to be put in the County Assessment Fund. This proposal transfers local funds from one local political subdivision to another local political subdivision.

Jasper County officials assume this proposal would be a major revenue enhancement to counties becoming a county of the first class after September 1, 1997. Officials estimate that Jasper County would realize approximately \$230,000 for the County Assessment Fund.

Officials of the **City of Kansas City** and **Springfield** assume no fiscal impact.

Oversight assumes, based on statements made by the State Tax Commission that this proposal would affect Camden, Cape Girardeau and Cole County's Assessment Fund by providing more income to those funds. Oversight assumes that the additional income would be withheld from all taxing authorities in those counties and would impact the State's Blind Pension Trust Fund..

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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BLIND PENSION TRUST FUND

Loss of Revenue - Blind Pension Trust Fund

from increase in withholding	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO BLIND PENSION TRUST FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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CERTAIN COUNTIES

Income - County Assessment Fund from additional withholdings

Unknown	Unknown	Unknown
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Loss of Revenue - County Taxing Authorities from additional withholdings

<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO CERTAIN LOCAL GOVERNMENTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This act provides that in any county which becomes a first classification county after September 1, 1997, one percent of all ad valorem taxes allocable to the county and each taxing authority in the county shall be deducted from taxes collected on the first five hundred million dollars of assessed valuation.

DESCRIPTION (continued)

The one-percent fee will be assigned among the political subdivisions. Beyond the five hundred million dollars of assessed valuation the amount of the deduction shall be one half of one percent, consistent with the current law.

Currently, the law provides for such counties which become first classification counties after September 1, 1998.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

State Tax Commission
City of Kansas City
Jasper County Commission
City of Springfield

NOT RESPONDING

The Cities of: St. Charles, Independence, Belton, St. Joseph, Maryville, Kirksville, Jefferson City, Ozark, Boonville, Fulton, and Columbia, and St. Louis,

The Counties of: Boone, Callaway, Cole, Cass, Clay, Franklin, Greene, Jackson, Jefferson, Johnson, Marion, Platte, St. Charles, St. Louis, Taney, and Warren Counties.



Mickey Wilson, CPA
Director
January 15, 2004